



Hosken Passenger Logistics & Rail

HOSKEN PASSENGER LOGISTICS AND RAIL LIMITED

(Previously Niveus Invest 17 Proprietary Limited)

(Incorporated in the Republic of South Africa)

Registration number: 2015/250356/06

JSE share code: HPR

ISIN: ZAE000255907

(“HPLR” or “the Company”)

LISTING OF HPLR ON THE MAIN BOARD OF THE JSE LIMITED (“JSE”) AND ABRIDGED PRE-LISTING STATEMENT

1. INTRODUCTION

- 1.1. HPLR, the largest scheduled commuter bus operator in the Cape Metropole through its subsidiary Golden Arrow Bus Services Proprietary Limited (“**GABS**”), has now been granted a listing on the JSE Main Board from Tuesday, 24 April 2018 onwards (“**Listing**”).
- 1.2. HPLR will today, 15 March 2018, publish a pre-listing statement containing detailed information regarding the Company (“**Pre-listing Statement**”). The Pre-Listing Statement will be available on the Company’s website at www.hplr.co.za.
- 1.3. Terms appearing in title case in this announcement and that are not otherwise defined herein, shall bear the meanings ascribed to them in the Pre-listing Statement.
- 1.4. This will be a new listing by way of introduction of the Company’s entire issued share capital. The Company does not intend to raise capital leading up to the Listing.

2. LA CONCORDE UNBUNDLING AND NIVEUS UNBUNDLING

- 2.1. Hosken Consolidated Investments Limited is currently the owner of approximately 62% of the issued share capital of HPLR, while La Concorde Holdings Limited (“**La Concorde**”) is the owner of the remaining approximately 38% of HPLR’s issued share capital.
- 2.2. La Concorde intends, prior to the Listing, to distribute all HPLR shares held by it to its shareholders by way of a dividend *in specie* pro rata to their respective shareholdings in La Concorde (“**La Concorde Unbundling**”).
- 2.3. Niveus Investments Limited (“**Niveus**”) is the majority shareholder and holding company of La Concorde, holding approximately 58% of the issued share capital of La Concorde. Niveus will distribute all HPLR shares received by it under the La Concorde Unbundling to its shareholders by way of a dividend *in specie* pro rata to their respective shareholdings in Niveus (“**Niveus Unbundling**”).

- 2.4. Separate circulars were dispatched by La Concorde and Niveus to their shareholders on 21 February 2018 detailing, respectively, the La Concorde Unbundling and the Niveus Unbundling. Subject to the approval of the La Concorde Unbundling by La Concorde shareholders and the Niveus Unbundling by Niveus shareholders, with the general meetings of these companies due to occur on 23 March 2018, it is expected that the La Concorde Unbundling will be implemented on 13 April 2018 and the Niveus Unbundling on 30 April 2018, although Niveus shareholders will already be able to trade in their entitlement to HPLR shares on the Listing Date.

3. SALIENT DATES AND TIMES

The salient dates relating to the Listing are set out below:

	2018
Pre-listing Statement made available on the Company's website (www.hplr.co.za) on	Thursday, 15 March
Abridged Pre-listing Statement published on SENS on	Thursday, 15 March
Abridged Pre-listing Statement published in the press on	Friday, 16 March
<i>In specie</i> distribution of shares in the Company to La Concorde shareholders (La Concorde Unbundling) anticipated to occur on	Friday, 13 April
Listing of Shares under the abbreviated name "HPLR", share code "HPR" and ISIN ZAE000255907, on the JSE Main Board at commencement of trade on	Tuesday, 24 April
<i>In specie</i> distribution of Shares in the Company to Niveus shareholders (Niveus Unbundling) anticipated to occur on	Monday, 30 April

Note: The above dates are subject to change. Any such change will be announced on SENS.

4. ABRIDGED PRE-LISTING STATEMENT OF HPLR

The abridged Pre-Listing Statement, as contained in this announcement, is not an invitation to the public to subscribe for shares in HPLR, but is issued in compliance with the JSE Listings Requirements for the purpose of providing information in respect of HPLR to the public and investors.

5. OVERVIEW OF THE HPLR GROUP

- 5.1. The Company, which was incorporated on 16 July 2015, effectively holds, via its 100% shareholding in HPL and R Investments Proprietary Limited ("**Subco**"), 76% of Eljosa Travel and Tours Proprietary Limited ("**Eljosa**") and 100% of GABS. In turn, GABS holds 50.06% of the issued share capital of Table Bay Rapid Area Transport Proprietary Limited, 33.33% of Sibanye Bus Services Proprietary Limited, 100% of Hollyberry Props 12 Proprietary Limited and 33.33% of The N2 Express Joint Venture Proprietary Limited.
- 5.2. GABS is the largest scheduled commuter bus operator in the Cape Metropole, providing services throughout a large part of the City of Cape Town. GABS, and its predecessors, have been providing scheduled passenger services in Cape Town for over 157 years. GABS operates approximately 1 018 buses during peak hours, serving 1 300 routes and covering a total area of approximately 2 460 km². The fleet travels 63 million kilometres and conveys 55 million passengers annually. The employee complement for GABS and its subsidiaries exceeds 2 700 people.

5.3. Eljosa operates in the luxury and semi-luxury coach markets in Cape Town and the Winelands.

6. RATIONALE FOR THE LISTING

The rationale for the Listing is to:

- 6.1. provide the Company with access to equity and debt capital markets in order to facilitate growth;
- 6.2. enable the Company to raise funds from its shareholders for the planned expansion (acquisitive and organic) of the Company in a listed environment;
- 6.3. enhance the Company's deal-making ability, as listed shares can be more readily utilised for the purposes of acquisitions;
- 6.4. provide additional credibility for the Company to its clients and debt funders;
- 6.5. provide shareholders with a liquid, tradable security within a regulated environment, with a market determined share price; and
- 6.6. to give its employees and members of the communities in which it operates, as well as the general public, an opportunity to acquire an equity stake in the Company following the Listing, and thereby to share in its potential success in future.

7. PROSPECTS

- 7.1. With its diverse skill set in the management of logistic driven operations, the Company has the potential to utilise its competencies and systems on a broader scale and in other transport related businesses. This will in the opinion of the board, give rise to further prospects to acquire bus and coach operations, and potential involvement in freight and rail operations.
- 7.2. The Company's strategy involves the identification and acquisition of transport related businesses in niche markets, where its expertise can be employed to improve the profitability and growth of these entities.
- 7.3. The board believes that the Company's major subsidiary, GABS, is well positioned to develop its operations in new areas within its main operating contract, and to acquire new businesses through the expansion of MyCiTi services within all the phases projected in the City of Cape Town's Comprehensive Integrated Transport Plan.
- 7.4. GABS is able to improve operating margins through its electronic ticketing system, savings on unproductive kilometres and its continuing fleet replacement programme. Its accredited Training and Assessment Centre provides opportunities for offering the supply of such services to external clients. In addition, GABS is able to provide specialised maintenance skills through its central maintenance facility.
- 7.5. GABS, with the cooperation of its main suppliers and innovative internal re-engineering initiatives, is well placed to optimise the benefits of sustainable technologies throughout its operations.

8. DIVIDEND POLICY

The Company aims to declare and pay 50% of its annual profit after tax as a dividend to shareholders, subject to working capital requirements and capital expenditure required for expansion and maintenance. The Company envisages paying interim and final dividends.

9. LISTING ON THE JSE

- 9.1. The JSE has granted HPLR a listing by way of introduction of all its issued ordinary shares on the JSE Main Board under the abbreviated name “HPLR”, share code “HPR” and ISIN ZAE000255907, with effect from the commencement of trade on Tuesday, 24 April 2018.
- 9.2. The shares in HPLR can only be traded on the JSE in dematerialised (electronic) form after the Listing. Shareholders have a number of options available to them regarding their Shares:
- 9.2.1. Shareholders wishing to trade their shares after Listing, will have to open a share trading account with a broker/central securities depository participant, if they do not already have one; and
- 9.2.2. Shareholders who receive shares in certificated form, will need to dematerialise their shares into an account held at a suitable service provider, in order to trade their shares on the JSE. This can be either a central securities depository participant that offers a trading service or a broker. The process takes a few days, depending on the volumes of certificates to be authenticated. While such shares are undergoing dematerialisation, the shareholder will be unable to trade them.

10. SHARE CAPITAL

The authorised and issued share capital of the Company, as at the Listing Date, will be as set out below:

	Number of Shares	R
Authorised share capital		
Ordinary shares of no par value	1 000 000 000	-
Issued share capital		
Stated capital – ordinary shares of no par value	290 000 000	R2 896 650 001
Treasury shares	-	-
Total	290 000 000	R2 896 650 001

11. HPLR DIRECTORS

The full names, ages, business addresses and capacities of the Company’s directors are provided below:

Full name	Age	Capacity	Business Address
Yunis Shaik	59	Chairman	Suite 801, 76 Regent Street, Sea Point, 8005
Theventheran Govindsamy (Kevin) Govender	47	Deputy chairman	Suite 801, 76 Regent Street, Sea Point, 8005
Francois Eckhard Meyer	56	Chief executive officer	103 Bofors Circle, Epping Industria, 7460
Mark Llewellyn Wilkin	64	Chief financial officer	103 Bofors Circle, Epping Industria, 7460
Loganathan Govender	69	Lead independent director	691 Umgeni Road, Durban, 4001
Naziema Begum Jappie	57	Independent non-executive director	University of Cape Town, 4.06 Hoerikwaggo Building, Upper Campus,

			Rondebosch, Cape Town, 7700
Kotsi Faith Mahloma	65	Independent non- executive director	167 Mofokeng Section, Katlehong, 1431

12. COPIES OF THE PRE-LISTING STATEMENT

Copies of the Pre-listing Statement are available in English and may be obtained and are available for inspection during normal office hours from 15 March 2018 to 24 April 2018 at the registered office of HPLR at 103 Bofors Circle, Epping Industria, Cape Town, 7460 and at the offices of HPLR's transaction advisor and sponsor, PSG Capital Proprietary Limited, at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600 and 2nd Floor, 11 Alice Lane, Sandhurst, Sandton, 2196. The Pre-listing Statement will also be available on the Company's website at www.hplr.co.za from 15 March 2018.

Cape Town
15 March 2018

Transaction Advisor and Sponsor



**Independent Reporting
Accountant in respect of the
Company**



**Independent Reporting
Accountant in respect of GABS
and Subco and auditor of the
Company**

